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ABSTRACT

This brief paper addresses two important challenges for colleges and universities as the 20th century closes. First, the dilemma of how to remain competitive through technology without excessive commercialization of educational programs and services. Currently, both the critics and the proposed remedies usually come from the business world, which sees the institution of higher learning as a form of business corporation that requires corporate strategies and tactics. The second challenge comes from rapid cultural change and conflicts between ideologies. More important than perceived conflict between scientists and scholars is the conflict between academic values or traditions and corporate values or ethics. American universities are being homogenized by corporate bureaucratization and reason is no longer the university's organizing principle. In meeting the challenges of technological and cultural change, the nation should protect the its investment in its institutions of higher education and should rethink the investments made by the university's major constituencies, including faculty, professional staff, students, and alumni. Above all, universities must work to adapt and use technological innovation more effectively for educational purposes and to renew and enhance the human capital investments unique to their mission. (DB)

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INVESTMENTS IN THE FUTURE

by Cameron Fincher

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INVESTMENTS IN THE FUTURE

by Cameron Fincher

In the closing year of the 20th century, there is a distracting concern for the future of colleges and universities, as they have developed in the years following World War II. Instead of millenarian visions of a bright and promising future, books and journal articles depict American universities as in ruins, as an endangered genus, or in a state of "virtual transfiguration." More accurately, perhaps, we can identify pessimistic views of higher education as investment dilemmas encountered in meeting the challenges of technological and cultural change.

Stated somewhat caustically: the technological challenge for universities concerns the investments that must be made in technology as one means of remaining competitive in a profit-driven economy—while coping with unfair competition without resorting to excessive commercialism and the marketing of knowledge in electronic mega-malls.

Stated as mildly as possible: the cultural dilemma concerns higher education's divestiture of ideologies that devalue its well earned intellectual *and* cultural capital—without adopting the investment mentality of "corporate cultures" that view roller-coasters as a means of transportation to higher levels.

Before discussing the possibilities of satisfactory resolutions, it would be wise to consider the investments already made in the future of higher education—*as* colleges and universities! In doing so, it will be impossible *not* to raise serious questions about the wisdom of the profit-seeking investors who believe all solutions to reside in privatization, marketing, management, and a free market. The investors of higher education include many constituencies, sponsors, donors, and benefactors who do indeed expect a gratifying return on their investments *but* their expected return is in the future.

THE CHALLENGE OF TECHNOLOGICAL CHANGE

The horns of our technological dilemma can be identified as remaining competitive through technology without excessive commercialization of educational programs and services—and adapting technological innovations to institutional purposes and responsibilities without depreciating the university's intellectual and cultural capital. Instead of selling its resources, talents, and heritage short for a quick return on investments, the university must convince its constituencies of the need to protect previous investments and its benefactors and beneficiaries (in business, government, and elsewhere) that additional investments are needed.

In their efforts to protect the public's enormous investments in 3600+ institutions of higher education, universities must deal with critics and competitors who argue persuasively, but not convincingly, that higher education should be managed, financed, and appraised as business corporations are[1]. If colleges and universities cannot compete for the learner's tuition and fees in a "free market," they should downsize, merge, or otherwise cease all "non-profitable" activities. According to such critics, if institutions cannot demonstrate their profitability, their performance

must be accountable to state and national government, as guardians of the public interest.

The irony in their argument is that much of the criticism and most of the remedies come from CPAs, MBAs, and other business consultants. Cynics could suspect that a well organized corps of technocrats[2] was rushing forth to save academe from misguided "Captains of Erudition." Sages could reply that whenever "experts in a specialized field" offer solutions for complex problems, they often have in mind a solution for which their expertise is well suited[3]. Setting such counsel aside, it would be wise to consider carefully all facets of the challenge technology poses—and prepare to answer questions that strike many businessmen, government officials, and other critics as quite proper.

Primary in the crisis of sociocultural values is a distinct preference for entertainment over education.

By raising simplistic questions about institutional effectiveness, productivity, and profitability, CPAs, MBAs, engineers, and technicians are more harmful than helpful. In the publication entitled "Dancing With the Devil," questions and issues are stated in a manner more befitting of businessmen, corporate executives, and elected officials. For example, a former president of the University of Michigan[4] asks, "Can College and Universities Survive in the Information Age?" and then "begs the question" by stating that there is no doubt that higher education will be transformed; the question is *how* and *by whom*?

Other contributors pose similar or related questions and leave no doubt that they are more familiar with business corporations than institutions of higher learning. Despite good intentions and many informative insights into: (a) competitive strategies, (b) using technology as a strategic asset, (c) restructuring administration, (d) strategies for optimizing revenues, (e) endowment management, (f) developing human resources, and (g) organizational and technological strategies for higher education—their basic thrust is a mandate for corporate strategies and tactics. Much too often, there is the implication that the university must become more profitable in order to compete more successfully by using technology to become more profitable.

THE CHALLENGE OF CULTURAL CHANGE

If technological innovations in education give an impartial advantage to competitors who abuse their merchandising skills in pursuit of profit, colleges and universities are surely aware of internal dissidents who denigrate the intellectual values that should be the university's distinctive characteristic. In their denial of objectivity, rationality, credibility, and fairness, too many dissenting groups believe themselves to be guided by different cultural values. Some are captives of ideologies that confuse educational issues with mistaken notions of cultural diversity, multiculturalism, and postmodernism.

In many respects, a crisis in sociocultural values has been a centrifugal force in the various clashes of generations, genders, social classes, and ethnic or racial groups. The outcome of too many clashes, irrespective of cause, has been further divisiveness among groups who ignore what they so obviously have in common. Primary in the crisis of sociocultural values is a distinct preference for entertainment over education. No other characteristic tells us more about a culture than its conditioning of attitudes, beliefs, and values.

At the bottom of most ideological issues is a failure to appreciate the role of rational thought and discussion, the uses of common sense, and the need for sound reasoning. Indeed, there is within all ideologies, both business and cultural, a tendency to suspend rational thought and to let a single idea or preference dominate discussions whenever two or more sides are represented.

TWO CULTURES IN CONFLICT: Accepting as obligatory the discussion of all controversies as cultural conflicts, the disparities in technocratic and academic values in higher education make more sense when we recall: (a) C.P. Snow's two cultures of the sciences and the humanities, (b) Robert Reich's business/economic and civic/political cultures, and (c) academe's many confrontations with a "counterculture" in the 1960s[5].

. . . concerted efforts must be made to invest more of the nation's intellectual and cultural capital in education at all levels.

Conflicts between scientists and scholars continue on a less lofty level with serious implications for the cultural value of scholarly research and publication. The conflicting values of Reich's business and civic cultures are discussed *voco soco* because they are supposedly irrelevant at a time when the national economy is booming. And students who once resented registration forms marked, "Do not fold, spindle, or mutilate" are now earning academic credit with laptops.

Within academic ranks the pace of "cultural conflict" has not slackened. By escalating faculty disagreements to a higher level of controversy, we can identify battlelines between numerous academic cultures. Some fields of specialization are quite amenable to technological innovation while others will be passing counterfeit currency if they package their courses for electronic distribution without traditional safeguards. If we accept a neat and oversimplified four-fold division of academic disciplines—natural sciences, humanities, social sciences, professional and applied fields—we will find many "cultural clashes" near the boundary lines.

Far more important, however, is the continuing conflict within a matrix of business, government, society, and education. On this cultural battlefield, the lines will be drawn between purposes, goals, values, and the means by which such essentials are appraised. In a business culture, the corporation has a distinct advantage in "the dollar" as a unit of measurement. In government, there is "the vote" and in society there is something called a "standard of living." Institutions of higher education still confer degrees and prepare students for licensing or certification, but there is no unit of achievement, accomplishment, or excellence that is acceptable to skeptics in business, cynics in government, and critics in society.

If there are irreconcilable differences between academic values or traditions *and* corporate values or ethics, this is the cultural clash for which universities and colleges should take up arms. And if the contemporary, modern, or posthistorical university is indeed torn between "corporate" and "national" cultures—with state, nation, and society already superceded by multinational corporations competing in a global economy—higher education has a far more serious problem than further investments in technology can resolve.

According to one interesting and persuasive argument, "corporatization" has relieved the university from its ideological bondage to state or nation and left the university in ruins[5]. The contemporary university is but one of many autonomous, bureaucratic corporations whose internal regulation is entirely self-interested without regard to broader ideological imperatives. In their pursuit of excellence, universities seek an idea that has lost all content. And thus, the university must be analyzed as a bureaucratic system instead of an "apparatus" of national culture.

The author—Bill Readings, an associate professor of Comparative Literature at the University of Montreal[6]—adopts "the German model" of a university and uses the University of Berlin as the prime example of an institution that is no longer the "producer, protector, incalculator of national culture." Although the "idea of a university" has lost its meaning, the

distinction between research (to produce knowledge of culture) and teaching (to inculcate culture) was quite clear in the early 19th century. Culture, like excellence, now "has no specific content."

American universities have been homogenized by corporate bureaucratization and the professoriate has been "proletarianized" by short-term or part-time contracts. The administrator, and not the professor, is now the focus of public attention and the one who is held accountable for excellence in all aspects of the university's activities. *Reason* is no longer the university's organizing principle, and the nation-state is no longer the organizing center of the lives of citizens and residents. As a result, the "University of Excellence serves nothing other than itself, another corporation in a world of transnationally exchanged capital" (*p. 43*).

. . . [faculty] should demonstrate that knowledge must be disseminated, instead of distributed, that teaching includes the cultivation of human minds and character . . .

INVESTMENTS OF ANOTHER KIND

In meeting the challenges of technological and cultural change, and in responding to public criticism and/or competition, universities should take the lead and remind others, whenever appropriate, that business, government, and the general public have made a truly remarkable investment in the nation's institutions of higher education. Not only should the public interest be protected in the future, but the vested interests of business and government should be enhanced by continuing investments. At the same time, concerted efforts must be made to invest more of the nation's intellectual and cultural capital in education at all levels.

To some of us, the reasons are fairly obvious. In looking back over the accomplishments of the American people during "the American Century" most of us would "point with pride" at the national effort made during World War II and give due credit to the educational edge that American military *and* work forces had. Accepting WWII as the nation's greatest accomplishment in the 20th century, we should look to science, technology, and education as three other major accomplishments in which all of us can take pride.

And in our efforts to "rethink" the purposes, functions, and values of American higher education, we should definitely rethink the investments made by the university's major constituencies: faculty, professional staff, students, and alumni.

FACULTY INVESTMENTS: Instead of thinking of faculty salaries as payment for services rendered, it would be helpful to look at salaries as the return on investments made by faculty members. Assuming that faculty are entitled to a fair rate of return, we could estimate the value of their investment by calculating the amount on which the average faculty salary represents average return on faculty investments. If a fair rate is ten percent and the average salary is $50,000/year across all ranks, the average faculty member's investment is estimated as $500,000 and the total for all faculty equals that amount times the number of faculty members.

To ensure the distinctive advantages of classroom instruction, faculty should invest more of their knowledge, competence, and experience in teaching and the improvement of undergraduate education. In doing so, they should demonstrate that effective college instruction is much more than the packaging and delivery of academic coursework. Above all, they should demonstrate that knowledge must be disseminated, instead of distributed, that teaching includes the cultivation of human minds and character, and underscore the fact that teaching and learning are not a zero-sum game because both teacher and student benefit from a wise investment of classroom time.

STUDENT INVESTMENTS: To make higher education a more attractive investment for students, it follows that many students themselves should invest more of their time, energy, and interest in the acquisition of knowledge, competence, and understanding they will need to live useful, productive, and financially rewarding lives. It is true enough that student investments can be estimated from tuition, fees, and other costs of attending college, as well as the income foregone (opportunity costs) while earning their degrees. Whereas faculty salaries should not be regarded solely as charges for the market value of their services, students should not regard tuition, time, effort, and interest as costs but as an investment in which returns are substantial in the long run, if not immediate.

ALUMNI AND GOVERNING BOARDS: In addition to their financial investments, alumni, trustees, donors, benefactors, and other sponsors should increase significantly the "human capital" investments that are needed to sustain and enhance the intellectual and cultural environment in which advanced, specialized, and technical learning takes place. Higher education is indeed an enterprise of major proportions—and one that is essential in all aspects of the future. Concerted efforts should place a higher premium on the education and development of human minds and personal values in a pluralistic, open, volunteer society, in a multinational economy that is technologically driven, and in a global environment that is an increasing threat to future generations.

. . . the formation of human capital, as traditionally valued, will remain the primary mission and contribution of higher education . . .

In all such efforts the public interest should be acknowledged. Schools, colleges, and universities should never fail to identify their primary mission and their most relevant contribution to state and society—as the education and development of individuals seeking to realize their own human potential as employers, employees, citizens, consumers, taxpayers, and the essential participants in all public enterprise and human endeavor.

IN CLOSING: We should give attention to the possibilities of other ideological entanglements. If Harvey Cox—the nation's most iconoclastic theologian—is correct, market values are in an ideological deadlock with other sociocultural values in our global environment. In its posturing as the *one true faith* in the creation of wealth, "the market" is extolled as a deity with all the trappings of myths, legends, and doctrines pertaining to sin and redemption. Having yielded to the temptations of statism and having suffered the captivity of uncontrolled business cycles, our national economy has found salvation in the advent of *free markets*. Surely, Cox exaggerates—but academicians should not doubt that market forces have become another competitive center of value and meaning.

In brief, we should repeat that if colleges and universities are to meet successfully the challenges of rapid technological change and uncertain cultural change, they must adapt and use technological innovations more effectively for educational purposes. In addition, they must renew and enhance the human capital investments that only their constituencies can make—and encourage in all ways possible the continuing human capital investments of state, society, and culture.

In the long-run the formation of human capital, as traditionally valued, will remain the primary mission and contribution of higher education—and human capital investments will continue to be the crucial determinant of the nation's ability to compete. And whenever possible, universities should divest themselves of specious ideologies that make no investment of value in the university's future and promise no return of intellectual, societal, or cultural merit.

ENDNOTES

[1]Sandra L. Johnson and Sean C. Rush (Eds.), *Reinventing the University: Managing and Financing Institutions of Higher Education.* (New York: John Wiley, 1995).

[2]Thorstein Veblen, *The Higher Learning in America: A Memorandum on the Conduct of Universities by Business Men.* (New York: B.W. Huebsch, 1918).

[3]This is a "fantasy of ego" noted by observers in various academic disciplines—but John Dewey may have been the first to detect the fondness of technicians for their own tools.

[4]Richard N. Katz and Associates, *Dancing with the Devil: Information Technology and the New Competition in Higher Education.* (San Francisco: Jossey-Bass, 1999).

[5]Robert B. Reich, *The Next American Frontier.* (New York: Penguin Books, 1984); See also *The Work of Naitons: Preparing Ourselves for 21st-Century Capitalism.* (New York; A.A. Knopf, 1991); See also C.P. Snow, *The Two Cultures and the Scientific Revolution.* (New York: Cambridge University Press, 1959).

[6]"American Academic Culture in Transformation: Fifty Years, Four Disciplines." *Daedalus* (Journal of the American Academy of Arts and Sciences), Winter 1997.

[7]Bill Readings, *The University in Ruins.* (Cambridge: Harvard University Press, 1996). Prior to publication, the author was unfortunately killed in an airplane crash.

THIS ISSUE . . .

This issue of IHE PERSPECTIVES is an effort to calm the optimism of colleagues who believe that higher education will continue to be the same in the 21st century—and the pessimism of those who fear that higher education will not change rapidly enough to cope with the challenges a new decade or century should bring. In all likelihood, there will be enough optimism and pessimism to satisfy everyone.

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